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Approval expires December 31, 2015
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Board of Governors of the Federal Reserve System

MAR 30 2015



Annual Report of Holding Companies **FRB RICHMOND**

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2014

Month / Day / Year

549300PZXSGE8V4F6I85

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

I, Jerold L. Rexroad

Name of the Holding Company Director and Official

Chief Executive Officer

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Reporter's Name, Street, and Mailing Address

Carolina Financial Corporation

Legal Title of Holding Company

P.O. Box 22467

(Mailing Address of the Holding Company) Street / P.O. Box

Charleston SC 29413-2467

City State Zip Code

288 Meeting Street Charleston, SC 29401

Physical Location (if different from mailing address)

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Person to whom questions about this report should be directed:

Ellen H. Melton Financial Analyst

Name Title

843-723-7700

Area Code / Phone Number / Extension

843-723-5446

Area Code / FAX Number

emelton@haveanicebank.com

E-mail Address

Signature of Holding Company Director and Official

Date of Signature

For holding companies not registered with the SEC-

Indicate status of Annual Report to Shareholders:

- is included with the FR Y-6 report
- will be sent under separate cover
- is not prepared

For Federal Reserve Bank Use Only

RSSD ID 2507790

C.I. _____

Does the reporter request confidential treatment for any portion of this submission?

Yes Please identify the report items to which this request applies:

- In accordance with the instructions on pages GEN-2 and 3, a letter justifying the request is being provided.
- The information for which confidential treatment is sought is being submitted separately labeled "Confidential."

No

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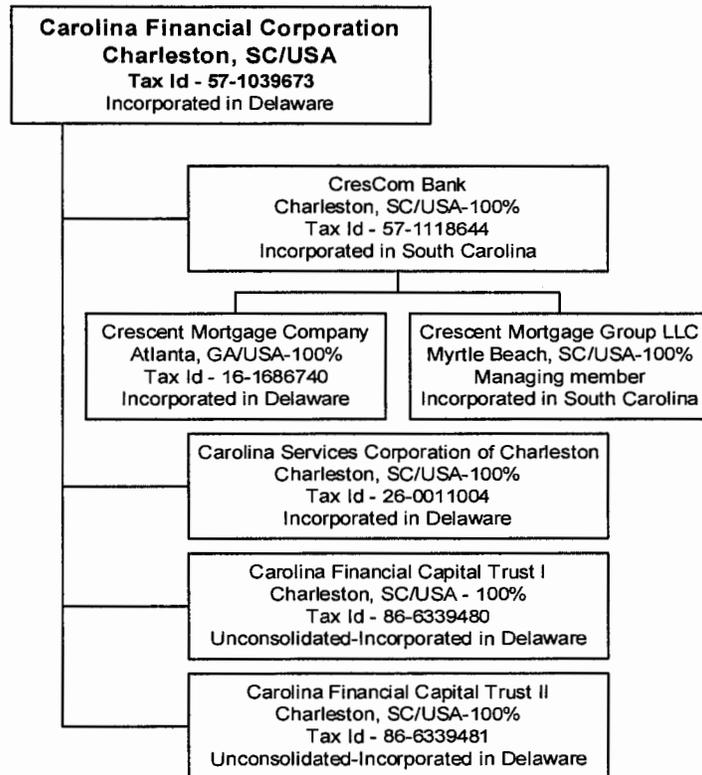
Carolina Financial Corporation
Charleston, South Carolina
Fiscal Year Ending December 31, 2014

Report Item

1: Annual Report to the Shareholders

The bank holding company prepares an annual report for its shareholders. Three copies are enclosed.

2a: Organization Chart



Results: A list of branches for your depository institution: CRESCOM BANK (ID_RSSD: 3013823).
 This depository institution is held by CAROLINA FINANCIAL CORPORATION (2507790) of CHARLESTON, SC.
 The data are as of 12/31/2014. Data reflects information that was received and processed through 01/07/2015.

Reconciliation and Verification Steps

1. In the Data Action column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the Effective Date column.

Actions

OK: If the branch information is correct, enter 'OK' in the Data Action column.
 Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the Data Action column and the date when this information first became valid in the Effective Date column.
 Close: If a branch listed was sold or closed, enter 'Close' in the Data Action column and the sale or closure date in the Effective Date column.
 Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the Data Action column.
 Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the Data Action column and the opening or acquisition date in the Effective Date column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
 If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:

To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.
 The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments	
OK		Full Service (Head Office)	3013823	CRESCOM BANK	288 MEETING STREET	CHARLESTON	SC	29401	CHARLESTON	UNITED STATES	358444		0	CRESCOM BANK	3013823	
OK		Full Service	3443309	JAMES ISLAND BRANCH	430 FOLLY ROAD	CHARLESTON	SC	29412	CHARLESTON	UNITED STATES	437787		8	CRESCOM BANK	3013823	
OK		Full Service	3121522	ORLEANS ROAD BRANCH	884 ORLEANS ROAD	CHARLESTON	SC	29407	CHARLESTON	UNITED STATES	359821		6	CRESCOM BANK	3013823	
OK		Full Service	3443318	CONWAY BRANCH	2069 EAST HIGHWAY 501	CONWAY	SC	29526	HORRY	UNITED STATES	442400		2	CRESCOM BANK	3013823	
OK		Full Service	3284155	MT PLEASANT BRANCH	1492 STUART ENGALS BOULEVARD	MOUNT PLEASANT	SC	29464	CHARLESTON	UNITED STATES	290545		5	CRESCOM BANK	3013823	
OK		Full Service	3443336	GARDEN CITY BRANCH	2636 HIGHWAY 17 SOUTH	MURRELLS INLET	SC	29576	HORRY	UNITED STATES	453837		3	CRESCOM BANK	3013823	
OK		Full Service	4366843	MYRTLE BEACH BRANCH	991 38TH AVENUE	MYRTLE BEACH	SC	29577	HORRY	UNITED STATES	57094		4	CRESCOM BANK	3013823	
OK		Full Service	4731197	SOCASSEE BRANCH	4506 SOCASSEE BLVD	MYRTLE BEACH	SC	29588	HORRY	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
OK		Full Service	3678183	NORTH CHARLESTON BRANCH	8485 DORCHESTER ROAD	NORTH CHARLESTON	SC	29420	DORCHESTER	UNITED STATES	465916		9	CRESCOM BANK	3013823	
OK		Full Service	3284119	NORTH MYRTLE BEACH	700 MAIN STREET	NORTH MYRTLE BEACH	SC	29582	HORRY	UNITED STATES	418456		11	CRESCOM BANK	3013823	
OK		Full Service	4566205	LITCHFIELD/PAWLEYS ISLAND BRANCH	13021 OCEAN HIGHWAY	PAWLEYS ISLAND	SC	29585	GEORGETOWN	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
OK		Full Service	4156688	SAINT GEORGE BRANCH	5561 WEST MEMORIAL BLVD	SAINT GEORGE	SC	29477	DORCHESTER	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
OK		Full Service	4731209	CANE BAY BRANCH	1724 STATE RD SUITE 4C	SUMMERVILLE	SC	29483	BERKELEY	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
OK		Full Service	3284164	SUMMERVILLE BRANCH	200 NORTH CEDAR STREET	SUMMERVILLE	SC	29483	DORCHESTER	UNITED STATES	366074		7	CRESCOM BANK	3013823	
ADD	12/14/2014	Full Service	3466399	CONWAY 16TH AVE	1230 16th Avenue	Conway	SC	29526	Horry	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
ADD	12/14/2014	Full Service	3812017	LITTLE RIVER	1180 Highway 17	Little River	SC	29566	Horry	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
ADD	12/14/2014	Full Service	344423	HEATH SPRINGS	202 N Main Street	Heath Springs	SC	29058	Lancaster	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
ADD	12/14/2014	Full Service	4414409	WHITEVILLE	110 N J K Powell Blvd	Whiteville	NC	28472	Columbus	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
ADD	12/14/2014	Full Service	2635862	CHADBOURN	111 Strawberry Blvd	Chadbourne	NC	28431	Columbus	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
ADD	12/14/2014	Full Service	2635853	TABOR CITY	105 Hickman Rd	Tabor City	NC	28463	Columbus	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
ADD	12/14/2014	Full Service	3402883	ELIZABETHTOWN	306 S Poplar Street	Elizabethtown	NC	28337	Bladen	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
ADD	12/14/2014	Full Service	3680337	SHALLOTTE SMITH AVE	200 Smith Avenue	Shallotte	NC	28459	Brunswick	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
ADD	12/14/2014	Full Service	3604520	SUNSET BEACH	7290-17 Beach Drive SW	Ocean Isle Beach	NC	28469	Brunswick	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
ADD	12/14/2014	Full Service	2963042	HOLDEN BEACH	3178 Holden Beach Road SW	Supply	NC	28462	Brunswick	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
ADD	12/14/2014	Full Service	3370405	SOUTHPORT HOWE ST	115 North Howe Street	Southport	NC	28461	Brunswick	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823
ADD	12/14/2014	Full Service	3549069	SOUTHPORT SUPPLY RD	4945 Southport-Supply Road	Southport	NC	28461	Brunswick	UNITED STATES	Not Required	Not Required			CRESCOM BANK	3013823

added
 all → done 1/12/15

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Carolina Financial Corporation
Fiscal Year Ending December 31, 2014

Report Item 3: Securities holders
 (1)(a)(b)(c) and (2)(a)(b)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending 12-31-2014			Shareholders not listed in 3(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-2014		
(1)(a) Names & Address	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Name & Address	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
None			None		

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Carolina Financial Corporation
Fiscal Year Ending December 31, 2014

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Names & Address	(2) Principal Occupation if other than with Carolina Financial Corporation	(3)(a) Title & Position with Carolina Financial Corporation	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with other Businesses	(4)(a) Percentage of Voting Shares in Carolina Financial Corporation	(4)(b) Percentage of Voting Shares in Subsidiaries	4(c) List names of other Companies (Includes partnerships) if 25% or more of voting securities are held
William H. Alford Myrtle Beach, SC / USA	Vice President A&I Fire and Water Restoration Company	Director	Director - CresCom Bank	Vice President A&I Fire and Water Restoration Company	0.41%	N/A	A&I, Corporation (50%) Alisco, Inc. (50%) Alford and Isaac Properties (50%) German Imports, LLC (45%) Lebanese Exports, LLC (45%) Your Basic LLC (33.3%) Parkway Office Plaza (33.3%) Vacation Myrtle Beach (33%) Bluewater Management (25%) Realty One Vacations (33%) POP Plus, LLC (33.3%) Electric Services of SC, LLC (25%) ESSC Properties, LLC (25%) POP3, LLC (25%) Myrtle Beach Vacation Rentals, Inc (33%) Southern Demolition (100%) Palmetto Peachtree LLC (50%)
Howell V. Bellamy, Jr. Myrtle Beach, SC / USA	Member Bellamy, Rutenberg, Copeland, Epps, Gravely & Bowers, P.A.	Director		Member Bellamy, Rutenberg, Copeland, Epps, Gravely & Bowers, P.A.	0.36%	N/A	None
W. Scott Brandon Myrtle Beach, SC / USA	President The Brandon Agency	Director	Director - CresCom Bank Vice Chairman - CresCom Bank	President The Brandon Agency	1.62%	N/A	Brandon Holdings LLC (100%) Brandon Advertising Inc. (100%) Brandon Investments (100%) Fuel Interactive LLC (98%) Juel-P Corporation (33%) Merit Associates LLC (51%) Hospitality App Development LLC (50%) IFG (100%) Intellistrand (100%) Vehicle Ventures, LLC (51%)
Robert G. Clawson, Jr. Charleston, SC / USA	Member Clawson and Staubes, LLC	Director	Director - CresCom Bank Director - Crescent Mortgage Company	Member Clawson and Staubes, LLC	1.53%	N/A	Turtlenest Partnership (50%)
Jeffery L. Deal, MD Charleston, SC / USA	Retired	Director	Director - CresCom Bank	Retired	0.63%	N/A	Family Investments LLC (100%) UVAS LLC (50%)
G. Manly Eubank Johns Island, SC / USA	Chairman Palmetto Ford, Inc.	Director	Director - CresCom Bank	Chairman Palmetto Ford, Inc.	2.24%	N/A	None
William A Gehman III Myrtle Beach, SC / USA	N/A	Chief Financial Officer Executive Vice President	Chief Financial Officer - CresCom Bank Executive Vice President - CresCom Bank Chief Financial Officer - Crescent Mortgage Company Executive Vice President - Crescent Mortgage Company Chief Financial Officer - Carolina Services Corporation Executive Vice President - Carolina Services Corporation	N/A	0.76%	N/A	None
Melton J. Huggins III Myrtle Beach, SC / USA	N/A	Executive Vice President Secretary	President of Commercial Banking Secretary and Director of CresCom Bank	N/A	0.82%	N/A	None
Michael P. Leddy Isle of Palms, SC / USA	Retired	Director	Director - Crescent Mortgage Company	Retired	1.25%	N/A	2 MAC LLC (80%)
Robert M. Moise Charleston SC / USA	Partner WebsterRogers, LLP	Director	Director - CresCom Bank	Partner WebsterRogers, LLP	1.37%	N/A	Pierce Street Associates, LLC (25%) Edisto Nest, LLC (25%)

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Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Names & Address	(2) Principal Occupation if other than with Carolina Financial Corporation	(3)(a) Title & Position with Carolina Financial Corporation	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with other Businesses	(4)(a) Percentage of Voting Shares in Carolina Financial Corporation	(4)(b) Percentage of Voting Shares in Subsidiaries	4(c) List names of other Companies (Includes partnerships) if 25% or more of voting securities are held
William H. Alford Myrtle Beach, SC / USA	Vice President A&I Fire and Water Restoration Company	Director	Director - CresCom Bank	Vice President A&I Fire and Water Restoration Company	0.41%	N/A	A&I, Corporation (50%) Alisco, Inc. (50%) Alford and Isaac Properties (50%) German Imports, LLC (45%) Lebanese Exports, LLC (45%) Your Basic LLC (33.3%) Parkway Office Plaza (33.3%) Vacation Myrtle Beach (33%) Bluewater Management (25%) Realty One Vacations (33%) POP Plus, LLC (33.3%) Electric Services of SC, LLC (25%) ESSC Properties, LLC (25%) POP3, LLC (25%) Myrtle Beach Vacation Rentals, Inc (33%) Southern Demolition (100%) Palmetto Peachtree LLC (50%)
Howell V. Bellamy, Jr. Myrtle Beach, SC / USA	Member Bellamy, Rutenberg, Copeland, Epps, Gravely & Bowers, P.A.	Director		Member Bellamy, Rutenberg, Copeland, Epps, Gravely & Bowers, P.A.	0.36%	N/A	None
W. Scott Brandon Myrtle Beach, SC / USA	President The Brandon Agency	Director	Director - CresCom Bank Vice Chairman - CresCom Bank	President The Brandon Agency	1.62%	N/A	Brandon Holdings LLC (100%) Brandon Advertising Inc. (100%) Brandon Investments (100%) Fuel Interactive LLC (98%) Juel-P Corporation (33%) Merit Associates LLC (51%) Hospitality App Development LLC (50%) IFG (100%) Intellistrand (100%) Vehicle Ventures, LLC (51%)
Robert G. Clawson, Jr. Charleston, SC / USA	Member Clawson and Staubes, LLC	Director	Director - CresCom Bank Director - Crescent Mortgage Company	Member Clawson and Staubes, LLC	1.53%	N/A	Turtleneck Partnership (50%)
Jeffery L. Deal, MD Charleston, SC / USA	Retired	Director	Director - CresCom Bank	Retired	0.63%	N/A	Family Investments LLC (100%) UVAS LLC (50%)
G. Manly Eubank Johns Island, SC / USA	Chairman Palmetto Ford, Inc.	Director	Director - CresCom Bank	Chairman Palmetto Ford, Inc.	2.24%	N/A	None
William A. Gehman III Myrtle Beach, SC / USA	N/A	Chief Financial Officer Executive Vice President	Chief Financial Officer - CresCom Bank Executive Vice President - CresCom Bank Chief Financial Officer - Crescent Mortgage Company Executive Vice President - Crescent Mortgage Company Chief Financial Officer - Carolina Services Corporation Executive Vice President - Carolina Services Corporation	N/A	0.76%	N/A	None
Melton J. Huggins III Myrtle Beach, SC / USA	N/A	Executive Vice President Secretary	President of Commercial Banking Secretary and Director of CresCom Bank	N/A	0.82%	N/A	None
Michael P. Leddy Isle of Palms, SC / USA	Retired	Director	Director - Crescent Mortgage Company	Retired	1.25%	N/A	2 MAC LLC (80%)
Robert M. Moise Charleston SC / USA	Partner WebsterRogers, LLP	Director	Director - CresCom Bank	Partner WebsterRogers, LLP	1.37%	N/A	Pierce Street Associates, LLC (25%) Edisto Nest, LLC (25%)

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 Carolina Financial Corporation
 Fiscal Year Ending December 31, 2014

Report Item 4: Insiders
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David L. Morrow Myrtle Beach, SC / USA	N/A	Director Executive Vice President	Director - CresCom Bank Chief Executive Officer - CresCom Bank President - CresCom Bank	N/A	1.90%	N/A	None Pitt Street Investments, LLC (100%)
Thompson E. Penney Charleston, SC / USA	Chief Executive Officer LS3P Associates LTD	Director	Director - CresCom Bank	Chief Executive Officer LS3P Associates LTD	0.26%	N/A	LS3P Associates LTD (28%) Column Capital, LLC (30%) Aroh Capital, LLC (50%) LS3P Associates PLLC (52%)
Jerold L. Rexroad Myrtle Beach, SC / USA	N/A	Director President Chief Executive Officer	Chief Executive Officer - Crescent Mortgage Company Chairman - Crescent Mortgage Company Senior Executive Vice President - CresCom Bank Chief Administrative Officer - CresCom Bank Chairman - Carolina Services Corporation	N/A	3.84%	N/A	Properties 4Rent, LLC (100%) Ashford Properties, LLC (100%) Shelter Investments, LLC (50%) - not active
Benedict P. Rosen Myrtle Beach, SC / USA	Retired	Director	Director - Crescent Mortgage Company	Retired	0.77%	N/A	None
Lt. Gen. Claudius E. Watts, III (USAF - Retired) Charleston, SC / USA	Retired	Director Chairman	Director - CresCom Bank Chairman - CresCom Bank	Retired	1.10%	N/A	None
Bonum S. Wilson, Jr. Charleston, SC / USA	Venture Capitalist	Director	Director - CresCom Bank	Venture Capitalist	1.54%	N/A	None